

BEFORE THE TENNESSEE REGULATORY AUTHORITY

NASHVILLE, TENNESSEE

February 24, 2003

IN RE:

**APPLICATION OF A.R.C. NETWORKS, INC. d/b/a
INFOHIGHWAY FOR CERTIFICATE TO RESELL
TELECOMMUNICATIONS SERVICES IN TENNESSEE**

**DOCKET NO.
02-01336**

**ORDER APPROVING PARTIAL TRANSFER OF CUSTOMER BASE
AND APPROVING CUSTOMER NOTICE LETTER**

This matter came before Chairman Sara Kyle, Director Pat Miller, and Director Ron Jones of the Tennessee Regulatory Authority (the "Authority"), the voting panel assigned to this docket, at the regularly scheduled Authority Conference held on January 6, 2003 for consideration of the request of A.R.C. Networks, Inc. d/b/a/ InfoHighway ("InfoHighway") for approval of a partial transfer of assets and a customer notice letter pursuant to the provisions of Authority Rule 1220-4-2-.56(2)(d)(2).

Authority Rule 1220-4-2-.56(2)(d)(2)

Authority Rule 1220-4-2-.56(2)(d)(2) provides as follows:

(d) In the case of a transfer of a customer base between two or more telecommunications service providers, the Authority, upon petition by the acquiring telecommunications service provider, may deem that sufficient notice has been given and approval received from the affected customers when the following criteria are met:

...

2. A notification letter, pre-approved by the Authority, shall be mailed by U.S. First Class Postage by the telecommunications service provider being acquired to its customers describing the customer transfer and explaining that the customers' local or long distance service will be

transferred to the acquiring telecommunications service provider by a certain date unless the customer selects another telecommunications service provider. This customer notification shall be mailed to the customers no less than thirty (30) days prior to the actual customer transfer. The notification letter required by the FCC may be used for the notification purposes of this part. The Authority may waive the thirty (30) day notice requirement of this part for good cause shown.

InfoHighway's Request

On October 16, 2002, InfoHighway filed an Application for Certificate to Provide Operator Services and/or Resell Telecommunications Services in Tennessee. This Application was assigned to Docket No. 02-01168. In Attachment 7 of this Application, InfoHighway notified the Authority of the anticipated transfer of a portion of an interexchange customer base from Lightyear Communications, Inc. ("Lightyear") to InfoHighway and requested that the Authority deem that InfoHighway has given sufficient notice to the affected customers as provided in Authority Rule 1220-4-2-.56(2)(d)(2). Attachment 7 stated that the transaction, an asset purchase and management agreement, was expected to close on or about December 30, 2002. The transaction was expected to affect three (3) interexchange customer accounts in Tennessee.

Attachment 7 contained a customer notice letter informing customers of Lightyear of the transfer of telecommunications service. A letter from InfoHighway to the Federal Communications Commission dated October 16, 2002, which was filed as part of Attachment 7, states that InfoHighway and Lightyear sent the customer notice letter to Lightyear's customers on September 27, 2002. TRA Rule 1220-4-2-.56(2)(d)(2) provides that in the case of a transfer of customer base from one telecommunications service provider to another the TRA may deem that the provider whose customer base is being acquired has met the

notification requirements of the TRA's anti-slamming rules by sending a letter to its affected customers notifying them of the change in provider. This rule requires TRA approval of the letter and, by implication, of the transfer of customer base.

According to Attachment 7, InfoHighway is a New York corporation with its business office located in New York, New York. Lightyear is a Kentucky corporation with its principal office located in Louisville, Kentucky. Lightyear was granted authority to provide local exchange telecommunications service in Tennessee by Order dated July 31, 1995 in Tennessee Public Service Commission Docket No. 95-02162. Lightyear was granted authority to provide interexchange telecommunications service in Tennessee by Order dated January 12, 1999 in Authority Docket No. 98-00674.

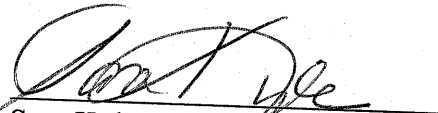
According to Attachment 7, InfoHighway and Lightyear have taken steps to ensure that the affected customers of Lightyear will enjoy a seamless transition to InfoHighway and InfoHighway will ensure that any customer who elects not to make the change from Lightyear to InfoHighway can transfer to another carrier without any interruption of service.

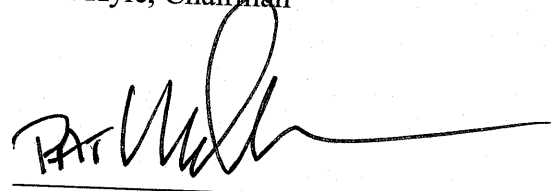
The Authority approved InfoHighway's Application for authority to provide resold telecommunications services in Tennessee at the regularly scheduled Authority Conference held on December 2, 2002. The Authority did not act on InfoHighway's request for approval of a transfer of customer base and customer notice letter at that time. These remaining issues were assigned to Docket No. 02-01336 for consideration by the Authority.

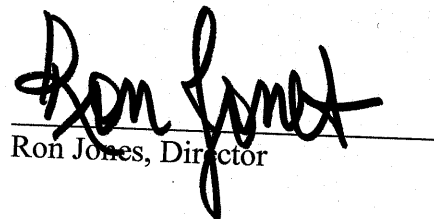
At the January 6, 2003 Authority Conference, the voting panel voted unanimously to approve the proposed transfer of customer base and the customer notification letter filed with the *Application*.

IT IS THEREFORE ORDERED THAT:

1. The partial transfer of customer base from Lightyear Communications, Inc. to A.R.C. Networks, Inc. d/b/a/ InfoHighway is approved.
2. The customer notification letter proposed by A.R.C. Networks, Inc. d/b/a/ InfoHighway, and attached to this Order as Exhibit A, is approved.


Sara Kyle, Chairman


Pat Miller, Director


Ron Jones, Director

NOTICE OF TRANSFER OF TELEPHONE SERVICE

Welcome Valued Customer:

A.R.C. Networks, Inc. d/b/a InfoHighway ("InfoHighway") and Lightyear Communications, Inc. and Lightyear Telecommunications LLC (collectively "Lightyear") are pleased to announce that InfoHighway will become your new telephone service provider on or about December 30, 2002. InfoHighway has provided telecommunications services to small and medium-sized business, residential customers and governmental agencies in over 20 states since 1996. Lightyear is pleased to recommend InfoHighway to be your new telephone service provider.

How will the transition occur?

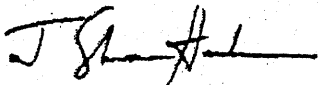
The information below should address some of the questions you may have regarding the transition process:

- Lightyear and InfoHighway will take all necessary steps to ensure that your telephone service is transitioned without any service interruption, any charge or any inconvenience to you. It is anticipated that you will not experience any changes to your existing service. InfoHighway will assume responsibility for any carrier change charge that may be incurred as a result of this transfer.
- As the acquiring carrier, InfoHighway will handle any complaint or issue you may have prior to, during, or after the transfer of service. Any customer service inquiry, maintenance or provisioning request should be referred to InfoHighway's Customer Service Group at:
1-877-507-4500
- On or about December 30, 2002, Lightyear will transfer your telephone service to InfoHighway and will no longer provide local or long distance telephone service to you. Consequently, if you do not wish to receive service from InfoHighway, we ask that you select another telephone service provider by December 27, 2002. Your selection of an alternate telephone service provider requires that you contact that service provider directly, on or before December 27, 2002, to ensure that your service is properly transferred. If you select an alternate provider after December 27, 2002, there may be a delay in the implementation of your new service provider request until after December 30, 2002. In addition, you may incur connection and/or presubscription fees because of your selection of an alternate provider. **If you take no action your telecommunications service will be automatically transferred to InfoHighway on or about December 30, 2002, and you will not incur any additional fees.**
- The rates, terms and conditions for your service will remain the same and you will continue to be billed monthly for your service. Please use the remittance advice, included in your bill, whenever possible to ensure payments are sent to the proper address. Should there be changes in rate, terms or conditions in the future, InfoHighway will notify you in the manner required by regulatory agencies.
- During the transfer, existing "preferred carrier" freezes on services currently provided by Lightyear will be lifted. If you have a "preferred carrier" freeze on your account and would like to keep that protection after the transfer, please contact our Customer Service organization at Toll Free 877-507-4500. Customer Service will be available to assist you with the reactivation of your "preferred carrier" freeze after December 30, 2002.

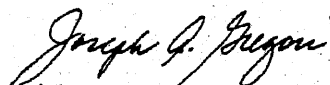
InfoHighway extends a warm welcome to Lightyear customers. Our mutual goal is to continue to deliver a wide array of high-quality, affordable products and services that will help your business gain and maintain a competitive edge in your marketplace. You are free to choose any telecommunications provider you wish, and we sincerely appreciate your continued patronage.

Please call InfoHighway's Customer Service number, 1-877-507-4500, if you have any questions or concerns regarding this change in your telephone service provider.

Sincerely yours,



Lightyear Communications, Inc.



A.R.C. Networks, Inc. d/b/a InfoHighway

EXHIBIT